



Fiscal Services Division

ADMINISTRATIVE RULES - FISCAL IMPACT SUMMARIES

December 14. 2010

Section 17A.4(4) <u>lowa Code</u> requires the Legislative Services Agency (LSA) to analyze the fiscal impact of all administrative rules with an impact of \$100,000 or more and provide a summary of the impact to the Administrative Rules Review Committee (ARRC). Fiscal Impact Statements filed by State agencies can be found on our website at http://staffweb.legis.state.ia.us/lfb/docs/Admin_Rules/arfiscal_notes.htm

Department of Economic Development

ARC 9255B

Rule Summary

Implements the Site Development Program to increase the availability and expedite the development and redevelopment of potential commercial and industrial sites.

Fiscal Impact

Senate File 2389 (FY 2011 Infrastructure Appropriations Act) appropriated \$175,000 from the School Infrastructure Fund to provide site development consultations. The Department of Economic Development (DED) is permitted to use \$75,000 for third party site development contracting. The DED is permitted to charge a reasonable fee to cover the costs of consultation to be paid for by the local government or local economic development official. The estimated fee revenue that will be deposited in the General Fund is not yet available since fee amounts have not yet been established. The DED has a Lean event scheduled in December for the Site Certified Program to establish definitive parameters of the Program.

STAFF CONTACT: Ron Robinson (Ext. 16256)

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Department of Management

ARC 9222B

Rule Summary

Establishes fiscal oversight of the Early Childhood Iowa (ECI) Initiative, a restructuring of the Community Empowerment Initiative. Provides for a review of internal controls and development of policy related to disbursement of State funds to local ECI boards. Requires an independent audit of funds managed by local boards. Requires local boards to secure liability insurance and submit a contract monitoring schedule for funded programs.

Senate File 2088 (Government Reorganization and Efficiency Act) authorized the Department of Management to adopt administrative rules regarding fiscal accountability for the program at both the State and local levels.

Fiscal Impact

No fiscal impact.

STAFF CONTACT: Robin Madison (Ext. 15270)

Environmental Protection Commission

ARC 9224B

Rule Summary

Regulates the sources of greenhouse gases (GHG) in the same manner and at the same level as specified in recently finalized federal regulations, known as the Prevention of Significant Deterioration (PSD) and Title V Greenhouse Gas Tailoring Rule (commonly referred to as the Tailoring Rule).

Fiscal Impact

No fiscal impact.

ARC 9223B

Rule Summary

Provides a listing for the second set of Iowa waterbodies reviewed for Iowa Water Quality Standards.

- Revises and lists approximately 95 river and stream segments as Class A2 Secondary Contact Recreational Use designated waters.
- Revises and lists approximately 305 river and stream segments as Class A2 Secondary Contact Recreational Use and Class B (WW-2) Warm Water Type 2 designated waters.
- Revises and lists eight stream segments as Class A2 Secondary Contact Recreational Use and Class B (WW-3) Warm Water Type 3 designated waters.
- Revises and lists 33 river and stream segments as Class A3 Children's Recreational Use and Class B (WW-2) Warm Water Type 2 designated waters.
- Revises and lists 19 river and stream segments as Class A3 Children's Recreational Use designated waters.
- Revises and lists 39 stream segments as Class B (WW-2) Warm Water Type 2 designated waters.

Fiscal Impact

Cost to the Department of Natural Resources (DNR) is minimal. Additional treatment by wastewater facilities may be required to meet the new standards. The DNR provided a fiscal impact statement in August 2005 with total estimated costs of \$790.2 million to \$955.9 million for all affected facilities. This set of waterbodies represents 14.0% of all affected facilities resulting in estimated expenses ranging from \$110.6 million to \$133.8 million.

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Held over from November - ARC 9154B

Rule Summary

Updates air quality rules to match new federal requirements:

- Adopts revised National Ambient Air Quality Standards (NAAQS) for nitrogen dioxide (NO2).
- Adopts amendments to New Source Performance Standards (NSPS) for nonmetallic mineral processing and coal processing.
- Adopts new National Emission Standards for Hazardous Air Pollutants (NESHAP) affecting chemical manufacturing facilities, paint and allied products manufacturing, prepared feed manufacturing, and stationary reciprocating internal combustion engines that burn diesel fuel.
- Allows a facility with an incident of excess emissions to submit an initial report by e-mail rather than only by phone or in-person.

Fiscal Impact

No fiscal impact.

STAFF CONTACT: Debra Kozel (Ext. 16767)

Department of Inspections and Appeals

ARC 9253B

Rule Summary

Adds Det Norske Veritas (DNV) to the list of hospital accreditation organizations.

Current rules specify only two accreditation organizations.

Fiscal Impact

No fiscal impact.

ARC 9252B

Rule Summary

Adopts the current lowa food code for food service at hospitals. Adoption of the lowa food code for hospital food service brings hospitals under the same compliance rules

as other food establishments in Iowa

Fiscal Impact

No fiscal impact.

ARC 9251B

Rule Summary

Adopts the 2010 Guidelines for Design and Construction of Health Care Facilities provided by the Facility Guidelines Institute as the minimum construction standards for hospitals and off-site premises.

Fiscal Impact

Fiscal impact is unknown. Hospitals and off-site premises are routinely designed using the latest construction guidelines. Adoption of these rules requires construction plans to be designed in accordance with the 2010 guidelines.

STAFF CONTACT: Joseph Brandstatter (Ext. 18223)

Insurance Division – Department of Commerce

ARC 9228B

Rule Summary

Requires an annual audit of financial statements by certified public accountants. Requires communication of internal control related matters noted in an audit to the Insurance Division.

Fiscal Impact

No fiscal impact.

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ARC 9229B

Rule Summary

Authorizes the establishment of domestic limited purpose subsidiary life insurance companies that are wholly owned by domestic insurers authorized to transact the business of insurance pursuant to Code Chapter 508. Permits companies to issue securities and access financial markets and alternative sources of capital through securitizations and other transactions.

Fiscal Impact

No fiscal impact.

ARC 9231B

Rule Summary

Establishes the standards that the Insurance Commissioner may use for identifying insurers found to be in such condition as to render the continuance of their businesses hazardous to their policyholders, creditors, or the general public.

Fiscal Impact

No fiscal impact.

Held over from November - ARC 9168B and 9158B

Rule Summary

Reflects recent changes approved in SF 2201 (Insurance Division Omnibus Act). Sets a procedure to be followed for hearings about certain health insurance policy premium rate increases.

Fiscal Impact

No fiscal impact.

STAFF CONTACT: Joseph Brandstatter (Ext. 18223)

Dental Board

ARC 9243B

Rule Summary

Removes the Western Regional Examining Board, Inc. (WREB) and the American Board of Dental Examiners, Inc., (ADEX) from the allowable examination list for dental or dental hygienist licensure. The Dental Board will continue to accept the Central Regional Dental Testing Service, Inc. (CRDTS) as the dental or dental hygienist licensure examination.

Fiscal Impact

No fiscal impact. The Dental Board retains fees charged to licensees to fund its operations. In FY 2011, the CRDTS cost \$1,900 per applicant and the WREB cost is \$2,110 per applicant. The ADEX is no longer administered in the State of Iowa.

STAFF CONTACT: Deborah Thompson (Ext. 16764)

Department of Public Health

ARC 9250B

Rule Summary

Amends Appendix B "Table of Reportable Poisoning and Conditions" to correct errors in the units of the substance measured and the substance that is to be measured in cases of arsenic and cadmium poisoning.

Fiscal Impact

No fiscal impact.

ARC 9249B

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Rule Summary

Expands the number of credentialing bodies whose certification is accepted by the Department of Public Health (DPH) for outpatient diabetes self-management education programs. Clarifies required curriculum, adds several definitions, and updates bureau and division references and contact information. Changes were made to Noticed Rule 9092B to require programs to renew their certification every four years instead of three to align with the certification periods of the American Diabetes Association and the American Diabetes Educators. Other changes were technical in nature.

Fiscal Impact

No fiscal impact.

ARC 9245B

Rule Summary

Makes changes to the Volunteer Health Care Provider Program (VHCPP). Provides clarification on surgery to be performed in a volunteer health care provider clinic. where surgery can be performed, who can perform the surgery, and the required follow-up for the surgery. Delineates alphabetically the health care provider professions eligible to receive VHCPP protection. Adds new definitions to provide further clarification relating to the VHCPP.

Fiscal Impact

Minimal fiscal impact. Cost increases may occur if claims involving the Attorney General's office increase. Staff workload may also increase due to increased applications of providers, clinics, and other eligible entities.

ARC 9248B

Rule Summary

Implements changes to the Child Death Review Team that was included in the State Medical Examiner's Office. The Child Death Review Team assists in identifying preventable deaths of children under 18 years of age and methods for prevention of such deaths. Changes include the following:

- Expands the purpose of the Team by including identifying unsafe consumer products, unsafe environments, factors playing a role in an accident, homicides and suicides, and promoting communication amongst agencies involved in investigations.
- Requires term limits for members of the Team.
- Specifies that members be appointed by the State Medical Examiner and not the Director of the Department of Public Health.
- Establishes a Child Fatality Review Committee as an ad hoc committee under protocols developed by the Team. The primary responsibility will be to review child abuse assessments that involve the fatality of a child under the age of 18.
- Adds a member from the public to the membership of the Team.
- Requires the Office to select cases for the Team to review and that the Team meet as frequently as determined by the State Medical Examiner.

Clarification was added due to public comments received that all cases of child deaths in Iowa should be reviewed by the State Medical Examiner's Office.

Fiscal Impact

Minimal fiscal impact. The State Medical Examiner's Office is responsible for the budget of the Child Death Review Team. Additional funding was not provided to the Office for this change. Existing staff will absorb the additional responsibility.

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ARC 9236B

Rule Summary Reflects realignment of the Fatality Review Committee to be part of the Office of the

Office of the State Medical Examiner. The Committee is responsible for determining whether the Department of Human Services and others involved with a case of child

abuse responded appropriately.

Fiscal Impact No fiscal impact.

ARC 9247B

Rule Summary Establishes guidelines and process for awarding infrastructure grants to improve the

education of nurses and nurse educators in Iowa and to enhance the clinical

experience for nurses.

Fiscal Impact No fiscal impact. Senate File 2384 (Nurses Workforce Initiative Act) does not specify

a funding source and the rule indicates the implementation will occur when funding becomes available. It is estimated that the fiscal impact would be \$324,000 if the

program had been implemented on July 1, 2010 (FY 2011).

ARC 9237B

Rule Summary Adds representatives to the Emergency Medical Services (EMS) Advisory Council

with one from the Iowa EMS Association that is from a private service program and two at-large volunteer emergency medical care providers. Eliminates one member

from the EMS regions.

Fiscal Impact Minimal fiscal impact with additional reimbursement expenses for the new members.

ARC 9240B

Rule Summary Removes basic care level references from the authorized EMS services standards.

Fiscal Impact No fiscal impact.

ARC 9241B

Rule Summary Permits fire departments to respond to medical calls with an automated external

defibrillator (AED) when trained personnel are available, without the department

having an EMS service program authorization.

Fiscal Impact No fiscal impact.

ARC 9246B

Rule Summary Establishes the Public Health Advisory Council and the Public Health Evaluation

Committee. The Council will advise the DPH for the coordination and implementation of the voluntary accreditation of designated local public health agencies and the Department's national accreditation. The Committee evaluates the accreditation program and the governmental public health system. Establishes roles and

responsibilities of the new entities as well as meeting procedures.

Fiscal Impact Minimal fiscal impact within a range of \$3,000 to \$5,000 annually to reimburse

Council and Committee members for travel expenses.

STAFF CONTACT: Deborah Thompson (Ext. 16764)

Department of Human Services

ARC 9254B

Rule Summary

December 14, 2010

Implements the Iowa Electronic Health Record Incentive Program that provides incentive payments for the adoption, upgrades, and meaningful use of certified electronic health record (EHR) technology.

Fiscal Impact

This Program will cost the State \$49,000 in FY 2011 and \$30,000 in FY 2012. The State is responsible for 10.0% of the administrative costs of the Program and was not considered part of the FY 2011 Medicaid appropriation. The federal incentive payments to eligible providers and hospitals are estimated to be \$33.0 million in FY 2011 and \$110.4 million in FY 2012.

ARC 9225B

Rule Summary

Makes the following technical changes to the Food Assistance Program:

- Changes the name of the Promoting Healthy Marriage Program to the Promoting Awareness of the Benefits of a Healthy Marriage Program.
- Aligns the implementation of annual adjustments to the federal poverty guidelines for the Program with the annual adjustments to income and allotment limits for the Food Assistance Program.

Fiscal Impact

No fiscal impact.

ARC 9256B

Rule Summary

Changes the Medicaid coverage provisions for pharmaceutical compounding supplies from coverage as a pharmacy item to coverage as a medical supply item.

Fiscal Impact

No fiscal impact.

ARC 9257B

Rule Summary

Updates the child care Quality Rating System (QRS) by removing certain current criteria, adding additional criteria, and recalibrating the points within the System and total points required for each level. Changes include the following:

- Clarifies the separate allocation forms for child development homes and for centers and preschools, to present the requirements for each provider type more clearly.
- Limits applications for a Level 1 rating to one 24-month period. Subsequent applications by the same provider must be for a higher level.
- Removes the requirements for the child care business-partnership agreement and the director/owner survey for a Level 2 rating.
- Requires more points for Level 3 to 5 to allow scoring of more variables in each category and to give more weight to facility accreditation and to higher educational achievement by staff.
- Adds points for parent meetings and parent satisfaction surveys used to inform program practices.
- Requires a minimum score of 5.0 on the application environment rating scale to receive a Level 5 rating.

December 14, 2010

The Department of Human Services made the following changes in response to public comments received concerning Noticed Rule 8757B:

- Added a new definition of "Aim4Excellence," a national director credential for early childhood administrators, adding it as a criterion under the category of professional development.
- Updated the six-month transition period for implementing the new standards to February 1, 2011, through July 31, 2011. Provided clarification for the forms and standards that apply to the appropriate facilities and time periods.
- Adjusted the number of points required for a rating at Level 3, 4, or 5 in certain categories.
- Provided clarification for the applicable criterion for staff education and training and provided consistency between the types of facilities for the number of points awarded for most of the education criteria.
- Adjusted the number of potential points for health and safety, including health and safety training sessions, and added the criteria of injury prevention, child record review, and health and safety assessment.
- Specified the applicable environmental rating scales where necessary.
- Increased the number of points available for professional development and separated the additional professional development criteria from experience and training criteria.

Fiscal Impact No fiscal impact.

ARC 9258B

Rule Summary

Implements new procedures and adds definitions to provide additional safety to atrisk adults for dependent adult abuse situations.

Fiscal Impact

No fiscal impact.

STAFF CONTACT: Jess Benson (Ext. 14611) Deborah Thompson (Ext. 16764)

Department of Public Safety

ARC 9238B

Rule Summary

Establishes a permit system for persons to carry weapons. Designates the collector's items of firearms classified as offensive weapons. Provides for professional permits for State employees to carry weapons when the job duty requires the need to be armed. Provides for professional permits for nonresidents when necessary for purpose of employment. Publishes the forms for the issuance of lowa carry permits and permits to acquire handguns.

Fiscal Impact

No fiscal impact.

ARC 9235B

Rule Summary

Updates transportation, storage, handling, and use of propane requirements to reflect current national standards.

Fiscal Impact

No fiscal impact.

ARC 9234B

Rule Summary Establishes new categories for licensing of residential electrical contractor, residential

master electricians, and residential electricians. Establishes requirements for

retaking licensing exams.

Fiscal Impact The number of electricians that will sign up for each of these new license categories

cannot be determined. The fee for Residential Electrician Contractors and the Residential Master Electricians is \$375 for a three-year license and the Residential Electricians is \$75 for a three-year license. Revenues are deposited in the

Electrician and Installers Fund.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

Department on Aging

ARC 9227B

Rule Summary Provides procedures for volunteer access to facility records. Clarifies that a civil

penalty of not more than \$1,500 may be imposed for interference with the duties of

the State or a local long-term care resident's advocate/ombudsman.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Jess Benson (Ext. 14611)

Department of Agriculture and Land Stewardship

ARC 9220B

Rule Summary Changes the organization of the Department of Agriculture and Land Stewardship to

reflect the current structure.

Fiscal Impact No fiscal impact.

ARC 9219B

Rule Summary Adds the Department of Revenue Centralized Collection Unit notification to the list of

reasons for a licensure revocation or lack of issuance by the Department of

Agriculture and Land Stewardship.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Debra Kozel (Ext. 16767)

Homeland Security and Emergency Management Division – Department of Public Defense

ARC 9226B

Rule Summary Reflects the current Federal Emergency Management Agency (FEMA) training

catalog for local emergency management coordinator continuing education courses.

Fiscal Impact No fiscal impact.

ARC 9244B

Rule Summary Adopts the Iowa Hazard Mitigation Plan.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Jennifer Acton (Ext. 17846)

Labor Services Division – Department of Workforce Development

ARC 9230B

Rule Summary Adopts by reference changes to the Federal Occupational Safety and Health

Administration standards pertaining to cranes and derricks in the construction

industry.

Fiscal Impact No direct fiscal impact to the State. The U.S. Department of Labor estimates that

across the nation new standards will prevent 21 fatalities and 157 injuries per year, and prevent property damage. The U.S. Department of Labor estimates that the cost for the regulated community will be \$154.1 million and the benefits will exceed \$209.3

million nationwide.

ARC 9221B

Rule Summary Allows the Labor Commissioner to combine two inspections and makes numerous

changes concerning construction personnel hoists (CPH).

Fiscal Impact Minimal fiscal impact. The changes relating to construction personnel hoists will

have minimal fiscal impact because of the very small number of construction personnel hoists in operation during a typical year. State inspectors are already combining inspections and waiving the lower fee when appropriate; so there should

be no fiscal impact from this change.

ARC 9232B

Rule Summary Implements SF 2181 (Labor Omnibus Act) relating to the conversion of power boilers

to low-pressure boilers. Adopts by reference four American Society of Mechanical Engineers' code cases. Adopts the most recent version of the National Board Inspection Code for all reinstallations, installations, alterations, and repairs, after December 22, 2010. Adds an exception to the requirement for control safety data reports related to a boiler with a fuel input rating greater than or equal to 12,500,000

BTUs (British Thermal Units) per hour.

Fiscal Impact No fiscal impact.

ARC 9233B

Rule Summary Adopts a definition of the phrase "complimentary tickets" for mixed martial arts

events. A ticket will be considered "complimentary" for purposes of tax calculation if the ticket price is reduced by 50.0% or more, and tax is collected on complimentary tickets to the extent the complementary tickets exceed 5.0% of all tickets sold.

Fiscal Impact

The State General Fund and the Athletic Fund will benefit from enhanced collections; however, the dollar amount is estimated to be less than \$100,000. The additional sales tax collected would benefit the General Fund. Funds collected, pursuant to Code Sections 90A.3 and 90A.9, in excess of the amount needed to administer Code Chapter 90A, Boxing and Wrestling, are used by the Commissioner to award grants to organizations that promote amateur boxing matches in this State.

STAFF CONTACT: Ron Robinson (Ext. 16256)

Professional Licensure Division - Department of Public Health

ARC 9239B

Rule Summary Board of Mortuary Science: Updates rules relating to working with human remains.

Reorganizes the internship requirements and provides for instances when there is an interruption in the 12-month internship program. Implements SF 2325 (2010 Funeral Directors Licensure, Preneed Requirements Act) relating to continuing education for

funeral directors. Other changes are technical.

Fiscal Impact No fiscal impact. The Board of Mortuary Science retains fees collected from

licensees to operate the activities.

STAFF CONTACT: Deborah Thompson (Ext. 16764)

Board of Regents

ARC 9242B

Rule Summary Simplifies existing conflict of interest rules prohibiting the selling of goods or services

to a Board of Regents institution by a member of the Board of Regents or a Regents employee by striking the specific requirements and instead requiring compliance with statute and rules for public bids and income disclosure for sales by public officials to State agencies. Requires Board of Regents institutions to develop an internal review

and approval process for all sales by an employee.

Fiscal Impact No fiscal impact.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)